

**Application of Wisconsin Energy Corporation for Approval to Acquire the
Outstanding Common Stock of Integrys Energy Group, Inc.
PSCW Docket No. 9400-YO-100**

**Joint Response to
Commission Staff's Eighteenth Data Request
Dated: December 9, 2014**

Public Service Commission of Wisconsin
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REQUEST NO. PSCW-18.02:

Regarding Mr. Lauber's discussion of "cash-out" on Direct-WEC-Lauber-18:

- a. Is the "cash-out" either a Transaction or Transition cost? If yes, which and explain? If no, please explain.
- b. Please provide the details and calculation of the \$140 million "cash-out" in stock-based compensation held by Integrys employees and directors.
- c. Please explain the program(s) for which each "cash-out" is associated.
- d. Please itemize the "cash-out" for each officer shown in the Proxy statement and each director.
- e. Please provide the accounting entries associated with the "cash-out" including entity and account number and name.

RESPONSE:

- a. As of June 30, 2014 WEC estimated that it would "cash-out" approximately \$140 million in stock-based compensation held by Integrys employees and directors, although this amount may fluctuate before closing. As further explained in b. below, the stock-based compensation relate to stock option plans, restricted stock units, performance stock rights and stock units in deferred compensation plans. See PSCW attachment 18.02(a) for an explanation of the accounting for the different types of equity awards, including which are considered Transaction costs.
- b. See PSCW attachment 18.02(b) for the details and calculation of the \$140 million estimate as of June 30, 2014.
- c. See (a), above.
- d. See PSCW attachment 18.02(d) for the listing by officer.
- e. We have not finalized the accounting entries associated with the cash-out of equity awards.

Answered by: Stephen Dickson (a., c. and e.) Linda Kallas (b. and d.)